

Wednesday, March 16, 2011

Washington, D.C. – Congressman Ben Ray Luján of New Mexico’s Third District opposed a number of House Republican measures over the span of a week to end housing programs that provide mortgage assistance to homeowners at risk of foreclosure. The bills would end the Emergency Mortgage Relief Program, the Federal Housing Administration (FHA) Refinance Program, and the Neighborhood Stabilization Program (NSP) at a time when the country continues to feel the effects of the financial crisis and the collapse of the housing market.

“While these housing programs have not helped as many families stay in their homes as I had hoped, they have provided vital assistance that has prevented homeowners from losing their homes,” Congressman Luján said. “My office has helped New Mexico families stand up to banks that have lost paperwork, dragged their feet, and refused to give homeowners a fair shake. As a result, thanks to assistance available through federal programs, I have been able to help a number of families save their homes. It is clear that we need to improve these programs to make them more effective, not end them altogether as part of Republicans’ latest attack on the middle class.”

H.R. 830, the FHA Refinance Program Termination Act, would end a program that assists homeowners who are “underwater” because they owe more than their house is worth by offering incentives for mortgage holders to refinance into lower-cost mortgages that homeowners can afford to repay. Nearly 30,000 mortgages in New Mexico are currently underwater.

H.R. 836, the Emergency Mortgage Relief Program Termination Act, would eliminate a program that provides short-term loans to homeowners who have lost their jobs through no fault of their own and are at risk of losing their home. Homeowners are provided assistance with mortgage payments in the form of a zero-interest loan until the homeowner can find a job or is otherwise able to resume mortgage payments. New Mexico would be expected to receive nearly \$11 million through this program.

H.R. 861, the Neighborhood Stabilization Program Termination Act, ends efforts to strengthen neighborhoods hardest hit by the foreclosure crisis. Through NSP, cities and states receive

resources to buy up and rehabilitate foreclosed and abandoned homes that are driving down prices and destabilizing neighborhoods.

“These programs are about more than helping individual homeowners,” Luján added.

“Foreclosures not only hurt the family that loses their house, but it also drives down home values in surrounding neighborhoods. In addition, the weak housing market remains a drag on our economy and must be a focus of our efforts as we work to turn our economy around.”

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